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EAST GERMANY

ILLEGAL EAST-WEST TRADE

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This is UNEVALUATED
Information

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Because many strategic goods are on the "verboten" list, the East German government "allows" but does not officially recognize the existence of many export-import firms which do business under the aegis of private or party organizations.

Most of the transactions of these firms are conducted under a heavy veil of secrecy, but often the firms must call upon the cooperation of their legal counterpart in East Germany, the Ministry of Export.

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One such firm is the "China Ex- and Import Corporation GmbH," located at Leipziger Strasse 112, East BERLIN. It is an enterprise owned jointly by Chinese Communists and the Socialist Unity Party.

Since March of this year, in order to procure essential materials, the shortage of which is hampering Eastern production, this CHEXIMPO has been offering 40 per cent beyond the world market price for nickel and cobalt. The success of their efforts to obtain these materials is as yet unknown.

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CHEXIMPO has also dealt in such other "bottleneck" items as tantalum, vanadium, ball bearings, balls of ball bearings, tungsten and tungsten wire.

A CHEXIMPO official boasted recently that his firm was not required to show its books to the government. Nor does it pay any taxes, other than income taxes on its employees.